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## DIRECTORATE OF INTELLIGENCE

14 May 1984

Australia's Bill Hayden and the Center-Left:  
A New Challenge For Hawke

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Summary

Despite relatively smooth sailing during his first year in office, Prime Minister Bob Hawke's tight control of the Australian Labor Party (ALP) is being challenged by Foreign Minister Bill Hayden and his new Center-Left faction. The Center-Left's greatest impact thus far has been to alter Hawke's approach to intraparty politics, as shown by Hawke's unprecedented recent meeting with the party's left wing to discuss policy initiatives before Labor's biennial conference in July. [redacted]

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Hayden and the Center-Left may be able to modify some of Hawke's more conservative policy initiatives in the months ahead and they will certainly force Hawke to be more sensitive to dissenting views within the party. Hayden remains bitter over being denied the chance to lead Labor to victory in 1983. He may stage a leadership challenge if he detects weakness in Hawke's control of the party--a challenge that would further divide the ALP and one Hayden would probably lose. [redacted]

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This memorandum was prepared by [redacted] Islands Branch, Southeast Asia Division, Office of East Asian Analysis. Information available as of 30 April was used in its preparation. Comments are welcome and may be directed to the Chief, Southeast Asia Division, [redacted] [redacted]

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### Hayden's Center-Left Gambit

Until recently, the Labor Party contained three identifiable factions: the socialist Left (Prime Minister Bob Hawke's longtime adversary), the conservative Center-Unity group (headed by Treasurer Paul Keating), and the moderate Victoria Independents (led by Senator John Button). Because of Hawke's support in the Center-Unity group and the Independents--both of which were instrumental in his rise to the party leadership in February 1983--he has had only to contend with the party's unruly left wing since assuming office. [redacted]

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Hawke must now face a new and growing faction of moderates--the Center-Left--in the months before the party's important biennial conference in July (see chart). The Center-Left core group--led by Bill Hayden--met in February to announce the group's formation, declare its commitment to democratic socialist principles, and to claim the role of the party's moderate voice. [redacted]

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Hayden's political fortunes have risen dramatically in the last year [redacted]. As the force behind the Center-Left, Hayden in our judgment is trying to reestablish himself as a leading party player and contender for Hawke's job. His efforts are fueled by personal antagonism toward Hawke--who in 1980 entered Parliament determined to replace Hayden as party leader. [redacted]

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### Building the New Coalition

Hayden's strategy has been to bring together party moderates whose ideology places them between Hawke's "uncompromising pragmatism" and the Left's "reckless

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<sup>1</sup>Mindful of the Left's divisive behavior during the Whitlam era, which undercut public confidence in the Labor government, Hawke has virtually excluded it from party policymaking. For example, Hawke included only one leftwing minister in his influential "inner cabinet." Although politically weak the Left remains potentially dangerous--largely because of its strong influence with the Australian media. [redacted]

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idealism." Organizers of the Center-Left claim that the group was not formed simply to attack Hawke. They argue that, by representing a view between the warring extremes of the party, they will reduce the factional squabbling that has been the hallmark, and downfall, of past Labor governments. We believe that unlike Hayden, many Center-Left members support Hawke and, in general, differ with him more on style than on substance. [redacted]

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Hayden has appealed to the Left by making cosmetic political gestures to garner its support, even though he does not agree with many of the Left's positions. For example, although Hayden supports the ANZUS alliance, he frequently stresses the limitations of the US defense commitment and, in the past, has publicly criticized several aspects of US-Australian defense cooperation, including the joint communications and tracking facilities and US ship visits. He also has sought to woo the Left through his support of renewed Australian aid to Vietnam. [redacted]

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[redacted] Hayden has also been working to win the support of more influential, moderate segments of the party. He won over Special Minister of State Mick Young, a former Hawke protege, by playing on his resentment of Hawke, who had banned him from the cabinet for six months after Young was charged with leaking classified information on the KGB spy case. In addition, Hayden has attracted former supporters such as the moderate Senator Button as well as left-of-center cabinet members such as Minister for Science and Technology Barry Jones and Minister for Finance John Dawkins by providing them a vehicle for their complaints against Hawke. [redacted]

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The Center-Left is not ready to challenge Hawke directly but appears to be trying to modify his conservatism. Faction members are seeking to oust Treasurer Paul Keating--leader of the rightwing New South Wales Center-Unity faction--because they believe he has too much influence over Hawke and the Cabinet. Press reports also indicate that Center-Left members would like to replace Deputy Party Leader Bowen with one of their own members, probably Hayden or Young. [redacted]

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In our judgment, Hayden himself believes that by firmly establishing himself as the leader of a moderate party faction, he will gain the strength and influence he needs to challenge Hawke. Hayden and the Center-Left could certainly control the ideological center in the 105-member Labor Party caucus, especially if the Center-Left's membership of between 20 and 30 is bolstered by affiliation with Senator Button's Victoria Independent faction. [REDACTED]

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### Hawke Faces the Challengers

One way the Centre-Left has already made its presence felt is by focusing public attention on factional disputes within the ALP. Hawke's open antagonism toward the Left and his unwillingness to work for the kind of intraparty consensus that he has sought outside the government does not fit well with his heavily promoted image as "The Great Conciliator." Hawke's senior advisers [redacted]

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[redacted] are increasingly uncomfortable with this contradiction--especially in light of Hawke's plans to call early elections within the next year. [redacted]

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Although even deteriorating relations with the Left would not significantly affect Hawke's chances for another election victory, they could compromise Hawke's goal of winning an even greater parliamentary majority than in 1983.<sup>2</sup> Hawke realizes that with Labor's current lead in public opinion polls and the weakness of the opposition Liberal-National Party coalition the only damaging issues likely to face the party in the election are those it creates for itself, especially an increase in factional tensions. The Labor Party biennial conference in July poses the greatest such threat. [redacted]

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Hawke has tried to avoid a potentially damaging face-off in July by extending an olive branch to the Left. In the first of a series of such gestures, Hawke agreed to readmit Stewart West to the Cabinet.<sup>3</sup> The most dramatic of Hawke's concessions to party unity, however, has been the unprecedented meeting on 5 April between Hawke, Keating, and the full 32-member leftwing faction. The purpose was to discuss Hawke's new policy initiatives--particularly economic policy--in an effort to minimize leftwing criticism

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<sup>2</sup>The 1983 election resulted in 25-seat majority for Labor in the 125-seat House of Representatives and a 30-seat majority in the 64-seat Senate. [redacted]

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<sup>3</sup>Minister for Immigration Stewart West, the only leftwing member of Hawke's inner Cabinet, stood down in November 1983 after refusing to support the cabinet's decision on uranium policy. [redacted]

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before July. Although Hawke fell well short of providing the Left with commitments of more ministerial representation or more influential portfolios, he did promise greater consultation with the Left in the future. [redacted]

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### The ALP Conference: A Turning Point?

The Labor Party's biennial conference in July may prove a watershed for both Hawke and Hayden. The conference will formulate the party's binding policy platform, providing Hawke an opportunity to capitalize on his efforts to quell the Left and reverse some of the left-influenced proposals adopted in 1982. If Hawke is successful managing nettlesome issues such as uranium mining and export and entry of foreign banks, he will probably call for early elections in late 1984 or early 1985. If he stumbles badly, Hayden would probably make a strong appeal to fellow party members to return him to the ALP leadership. [redacted]

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The Center-Left gambit poses risks for Hayden as well as for Hawke. Hayden is so closely identified with the faction that if it founders, fails to attract recruits, or is not seen to have an impact on ALP policy, his prestige will suffer. Even at this early stage, there are indications that Hayden may have difficulty manipulating the faction to his advantage. For example, the independently minded core group members have resisted outlining a set of policy objectives. [redacted]

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An unsuccessful leadership bid would probably sound a final note to Hayden's political ambitions. US officials believe that if Hawke performs well at the conference, or Hayden makes an unsuccessful leadership challenge, Hayden would probably resign as Foreign Minister, call in a marker offered to him as part of his 1983 resignation, and accept the honorary post of High Commissioner to the Court of St. James in London. [redacted]

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As the convention approaches, leftwing leaders believe their role as important players on the political scene is at risk and that less committed members may be tempted to abandon the Left for the more moderate and potentially powerful Center-Left. As a result, the Left is reassessing its relations with the conservatives and is considering ways the two factions might work together to defend what both see as incursions from the Centre-Left faction. The Left has even promised the Hawke government that, while it will argue

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leftwing policy positions at the July conference, it will refrain from direct attacks against Hawke and other ministers. [ ]

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At this point, Hawke is enjoying record popularity--public opinion polls last recorded his support at 74 percent--and we do not think the party faithful believe Hayden offers the broad-based electoral support to keep Labor in power. Nonetheless, the emerging influence of the Center-Left indicates that Hawke has to accept some diminution of the almost total control of party policy that he has enjoyed over the past year. It also will probably force Hawke to curb his tendency to move ahead with contentious policies without first consulting with rival party factions and may cause him to retreat from some of his more conservative policies at the July conference. [ ]

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Chart 1  
ALP Caucus: Factional Breakdown\*

House of Representatives (75)The Right (29)

Kim Beazley, WA  
Lionel Bowen, NSW  
John Brown, NSW  
John Brumby, Vic  
David Charles, Vic  
Joan Child, Vic  
Robert Chynoweth, Vic  
Barry Cohen, NSW  
Barry Cunningham, Vic  
Ron Edwards, WA  
Ross Free, NSW  
John Gayler, Qld  
Russell Gorman, NSW  
Alan Griffiths, Vic  
Bob Hawke, Vic  
Clyde Holding, Vic  
Ben Humphries, Qld  
Paul Keating, NSW  
Ros Kelly, ACT  
John Lindsay, Qld  
Leo McLeay, NSW  
Bill Morrison, NSW  
John Montford, NSW  
Gary Punch, NSW  
John Reeves, NT  
David Simmons, NSW  
Ralph Willis, Vic

The Left (20)

Peter Baldwin, NSW  
Allen Blanchard, WA  
Doug Everingham, Qld  
Wendy Fatin, WA  
Ken Fry, ACT  
Gerry Hanen, Vic  
Colin Hollis, NSW  
Brian Howe, Vic  
Harry Jenkins, Vic  
Lewis Kent, Vic  
Jeanette McHugh, NSW  
Peter Milton, Vic  
John Saunderson, Vic  
John Scott, SA  
Peter Staples, Vic  
Peter Steedman, Vic  
Andrew Theophanous, Vic  
Robert Tickner, NSW  
Tom Uren, NSW  
Stewart West, NSW

The Centre-Left (17)

David Beddall, Qld  
Gordon Bilney, SA  
Neal Blewett, SA  
Ric Charlesworth, WA  
Manfred Cross, Qld  
Elaine Darling, Qld  
John Dawkins, WA  
Michael Duffy, Vic-Independent  
George Gear, WA  
Bill Hayden, Qld  
Barry Jones, Vic-Independent  
Len Keogh, Qld  
Helen Mayer, Vic  
John Mildren, Vic-Independent  
Lloyd O'Neill, SA  
Deane Wells, Qld  
Mick Young, SA

The Senate (30)The Right (8)

Mal Colston, Qld  
Gareth Evans, Vic  
Gerry Jones, Qld  
Doug McClelland, NSW  
Robert Ray, Vic  
Graham Richardson, NSW  
Ted Robertson, NT  
Kerry Sibraa, NSW

The Left (12)

Nick Bolkus, SA  
Bruce Childs, NSW  
John Coats, Tas  
Ruth Coleman, WA  
George Georges, Qld  
Arthur Geitzelt, NSW  
Patricia Giles, WA  
Jean Hearn, Tas  
Gordon McIntosh, WA  
Margaret Reynolds, Qld  
Olive Zakharov, Vic

The Centre-Left (9)

John Button, Vic-Ind  
Peter Cook, WA  
Rosemary Crowley, SA  
Ron Elstob, SA  
Dominic Foreman, SA  
Graham McGuire, SA  
Susan Ryan, ACT  
Michael Tate, Tas  
Peter Walsh, WA

Floaters-Both Houses (10)

Bob Brown, NSW (C-L target)  
Graham Campbell, WA  
Ralph Jacobi, SA (Right)  
John Kerin, NSW  
Allan Morris, NSW (C-L target)  
Peter Morris, NSW (C-L target)  
Jim Snow, NSW (Left)  
Gordon Scholes, Vic (Right)  
Chris Hurford, SA (C-L target)  
Don Grimes, Tas (L/C-L target)

\*Bold print indicates cabinet members.

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Original

1--OEA/ITM  
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1--C/PES/DDI (7F24)  
1--FR [ ] DDO (3C29)

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Outside:

Defense:

1--LTC James Riordan  
1--Bill Mayo  
1--Don Berlin  
1--John Greenwood  
1--Stewart Ring  
1--Jay Sloan

State:

1--Paul Wolfowitz  
1--Bob Carroll  
1--John Dorrance  
1--William Brown  
1--Robert Brand  
1--RADM Jonathan Howe  
1--Richard Baker  
1--David Lambertson

Treasury:

1--Douglas Mulholland

Commerce:

1--Bill DeRocher  
1--Stephen Hall  
1--Gene Lawson

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**NSC:**

1--Richard Childress  
1--David Laux



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**Embassies:**

1--Suva  
1--Port Moresby

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